



**FEBRUARY 25, 2022**

**CIRCULAR NO. 08/22**

**TO MEMBERS OF THE ASSOCIATION**

**Dear Member:**

**SANCTIONS UPDATE: FURTHER SANCTIONS IMPOSED AGAINST RUSSIA**

Because of the ever-changing conditions involving Russia and its invasion of the Ukraine, your Managers are continuously monitoring relevant sanctions regimes and will continue to update Members on developments impacting the industry. However, because of the volatility of current events, new sanctions may be imposed, rendering earlier updates obsolete. **Accordingly, Members are encouraged to engage in enhanced due diligence investigations to capture the most up-to-date activity in this area.**

Yesterday, February 24, 2022, the United States, along with its allies and partners, imposed significant new sanctions on Russia. They include sweeping financial sanctions and stringent export controls. The United Kingdom also extended its implementation of sanctions. Both are summarized below.

**Latest designations from the US Office of Foreign Assets Control (OFAC)**

These designations include the following:

- Full blocking sanctions on Russia's second largest financial institution, VTB BANK (VTB), including 20 subsidiaries.
- Full blocking sanctions on three other major Russian financial institutions, viz Bank Otkritie, Sovcombank OJSC, and Novikombank - and 34 subsidiaries.
- Full blocking sanctions on Russian elites and their family members: Sergei Ivanov (and his son, Sergei), Nikolai Patrushev (and his son Andrey), Igor Sechin (and his son Ivan), Andrey Puchkov, Yuriy Solviev (and two real estate companies he owns), Galina Ulyutina, and Alexander Vedyakhin.
- Sanctioning 24 Belarusian individuals and entities, including targeting Belarus' military and financial capabilities by sanctioning two significant Belarusian state-owned banks, nine defense firms, and seven regime-connected official and elites.
- Full blocking sanctions on individuals and entities related to transport, technology, defense, and military sector.

## UK Office of Financial Sanctions (OFSI) Implementation

In the same vein, OFSI has proceeded to freeze Russian assets and thus full blocking of additional financial institutions along with individuals and entities related to transport, technology, defense, and military sector. Members should note that many of these designates are already included on OFAC's SDN List.

### Sanctions compliance

Your Managers will continue to keep abreast of developments regarding the interpretation and implementation of sanctions against Russia, Ukraine, and the general region, and will inform Members of developments of significance. Members are reminded that, pursuant to American Club rules, no cover exists for voyages where the extension of cover would violate or pose a risk of violating sanctions prohibitions, and that causing a violation could entail the imposition of sanctions or penalties. Accordingly, Members are reminded to exercise due diligence in ensuring their compliance with applicable sanctions prohibitions. A list of the sanction's programs administered by OFAC can be found at:

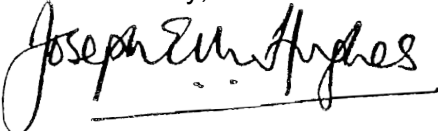
<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

The SDN List can be searched at:

<https://sanctionssearch.ofac.treas.gov/>

Should Members have any questions or need additional guidance regarding the above, sanctions in general, or for confirmation as to the availability of cover for voyages involving countries (Iran, Syria, Cuba, North Korea, the Crimea region of Ukraine, Venezuela or Russia), entities and individuals subject to US economic sanctions (designated entities and individuals appearing on the OFAC SDN List), please contact: Daniel A. Tadros, Executive Vice-President and Chief Legal & Compliance Officer, ph +1 212 847 4501, mob +1 504 460 7226, [daniel.tadros@americanclub.com](mailto:daniel.tadros@americanclub.com), or Charles J. Cuccia, Senior Vice President – Compliance, ph +1 212 847 4539, mob +1 917 215 2883, [charles.cuccia@american-club.com](mailto:charles.cuccia@american-club.com), or the general compliance email, [scbcompliance@american-club.com](mailto:scbcompliance@american-club.com).

Yours faithfully,



Joseph E.M. Hughes, Chairman & CEO

Shipowners Claims Bureau, Inc., Managers for

**THE AMERICAN CLUB**